

Exhibit A
8/9/14

Merchandise Sales Update

BOG Meeting
August 9, 2014

Exhibit A
August 9, 2014

After underwriting all of the Central Beach special events of 2013 and paying all outstanding invoices for last year, the Merchandise Sales Committee would like to recommend funding the following community improvements.

These requests have all been submitted by the individual commissioners for consideration:

- Speed bump on Ocean View Avenue and road repairs on Neptune Avenue and Ocean View.
- Reimburse QCBFD for unexpected expense incurred as a result of replacing the damaged wiring harness from the pump house to Well #2.
- Weeding of the buffer at the Children's Playground.
- Installation of a permanent hopscotch course at the Children's Playground.
- New Kayak rack and handrail at the boat dock.
- Two Rol-Dri units for the tennis courts.
- Purchase of a heavy duty dry line marker for the ballfield.

We would like to ask the BOG for a vote to approve the funding of these items.

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Exhibit B
8/9/14

Quonochontaug
Central Beach Fire District
Cash Flow
2015 Budget Proposal
Unaudited

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Exhibit B
August 9, 2014

	Actual Fiscal 12/31/2013	Budget Fiscal 12/31/2014	Projected Fiscal 12/31/2014	Budget Fiscal 12/31/2015
Sources of funds - operating				
Tax revenue	240,986.99	249,496.00	249,496.00	259,250.15
Lease to tennis club	1,281.88	1,400.00	1,250.00	1,250.00
Road impact fees	4,000.00	3,000.00	1,000.00	2,000.00
Lost beach pass fees/miscellaneous	-	-	1,494.00	-
FEMA reimbursement/donation/other	34,568.73	-	-	-
Interest income and other	90.35	75.00	60.00	60.00
Total Operating Sources	280,927.95	253,971.00	253,300.00	262,560.15
Uses of funds - operating				
Charter, legal, negotiation fees	9,856.57	3,000.00	6,000.00	3,000.00
Contingency Expense	-	-	1,000.00	-
Storm restoration	13,122.80	-	-	-
Record digitization/communication	829.09	1,800.00	1,500.00	2,000.00
Administration	2,900.84	3,800.00	3,800.00	3,800.00
Memberships (Salt Ponds/RISC/Hist Soc)	300.00	500.00	500.00	500.00
Ball field/playground	-	500.00	500.00	500.00
Beaches/dunes	2,338.75	3,000.00	3,000.00	3,000.00
Boating/docking	1,414.86	1,850.00	1,000.00	1,850.00
CI - Other	8,305.00	12,000.00	12,000.00	12,000.00
CI - Garbage	27,500.00	27,500.00	27,500.00	27,500.00
Police/security	6,878.07	9,250.00	9,250.00	9,300.00
PW - Water operator (NWSI)	8,238.00	8,250.00	8,238.00	8,238.00
PW - Water system	22,217.46	24,760.00	24,000.00	25,000.00
PW - Roads	5,073.31	6,300.00	6,000.00	6,500.00
Real estate/property	484.75	4,000.00	750.00	1,000.00
Mapping project	3,390.80	2,000.00	8,500.00	1,000.00
Tennis	892.73	1,250.00	1,000.00	1,000.00
Water project loan - principal/interest	14,400.00	14,400.00	14,400.00	14,400.00
Water project loan - prepayment	-	-	-	-
Taxes (Charlestown)	4,738.35	5,250.00	5,250.00	5,512.50
Insurance	11,903.00	16,500.00	13,000.00	14,000.00
Fire Protection (Dunn's Corner's)	74,500.91	77,500.00	78,971.42	83,709.65
Miscellaneous expense	-	161.00	-	-
Total Operating Uses	219,285.29	223,571.00	226,159.42	223,810.15
Cash Flow from Operations	61,642.66	30,400.00	27,140.58	38,750.00
Financing Activities				
Water Loan Prepayment	-	-	-	-
Capital Expenditures^(a)				
Contingency	-	-	10,000.00	8,000.00
Water System	16,298.00	10,000.00	4,500.00	9,500.00
Asset Replacement	-	8,000.00	14,000.00	9,500.00
Mapping Project	-	-	-	-
Tennis Courts	3,200.00	3,500.00	-	-
Boat Launch	-	3,000.00	2,000.00	-
Compliance	-	14,000.00	6,000.00	9,750.00
Total Capital Expenditures^(a)	19,498.00	38,500.00	36,500.00	36,750.00
Other Capital Expenditures-Boat Launch	-	-	-	2,000.00
Cash from Operations less Financing & Cap Exp	42,144.66	(8,100.00)	(9,359.42)	0.00
Working Capital				
Change in Accounts Receivable (inc)/dec	(1,056.15)	-	-	-
Change in Accounts Payable inc/(dec)	(8,900.00)	-	-	-
Net Change in Cash Flow	32,188.51	(8,100.00)	(9,359.42)	0.00
Cash Balance--Beginning (actual)	136,582.87	168,771.38	168,771.38	159,411.96
Cash Balance--Ending (actual)	168,771.38	n/a	n/a	n/a
Cash Balance from Cash Flow	168,771.38	160,671.38	159,411.96	159,411.96
Check	0.00	-	-	-

(a) 2015 Capital Expenditures and Reserve Fundings are equal

Exhibit B, continued.

Quonochontaug
Central Beach Fire District
Reserve Funds
Accrued Balances

8/9/14

Exhibit B
August 9, 2014

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	Unaudited								
	Contingency	Water Conservation	Road	Boat Launch	Tennis	Asset Replace	Dunn's Corner	Compliance	Total Restricted
Fund balance at 12/31/2012	-	8,071.85	16,300.00	21,994.86	4,395.00	62,845.81	18,414.99	-	132,022.51
Funding	20,000.00	15,000.00	6,000.00	-	1,295.00	15,000.00	74,300.00	7,000.00	138,595.00
Disbursements	-	-	-	-	-	-	-	-	-
Well repair/rehab	-	(10,955.00)	-	-	-	-	-	-	(10,955.00)
Water line analysis/improvs	-	(1,425.00)	-	-	-	-	-	-	(1,425.00)
Pump house equip	-	(3,918.00)	-	-	-	-	-	-	(3,918.00)
Pond restoration	-	-	-	-	-	-	-	-	-
Dune improvement	-	-	-	-	-	-	-	-	-
2nd half fiscal 2013	-	-	-	-	-	-	(36,165.35)	-	(36,165.35)
1st half fiscal 2014	-	-	-	-	(3,200.00)	-	(38,335.56)	-	(41,535.56)
Total disbursements	-	(16,298.00)	-	-	(3,200.00)	-	(74,500.91)	-	(93,998.91)
Transfer in (out)	-	-	-	-	-	(10,000.00)	-	-	(10,000.00)
Fund balance at 12/31/2013	20,000.00	6,773.85	22,300.00	21,994.86	2,490.00	67,845.81	18,214.08	7,000.00	166,618.60
Funding	-	7,500.00	5,000.00	-	800.00	15,000.00	72,600.00	7,000.00	107,900.00
Disbursements	-	-	-	-	-	-	-	-	-
Well repair/rehab	-	(4,500.00)	-	-	-	-	-	-	(4,500.00)
Water line analysis/improvs	-	-	-	-	-	-	-	-	-
Pump house equip	-	-	-	-	-	-	-	-	-
Pond restoration	-	-	-	-	-	(14,000.00)	-	-	(14,000.00)
East Beach Nitrate Issue	(10,000.00)	-	-	-	-	-	-	-	(10,000.00)
Dune improvement	-	-	-	-	-	-	-	-	-
Kayak Racks	-	-	-	(2,000.00)	-	-	-	-	(2,000.00)
2nd half fiscal 2013	-	-	-	-	-	-	(38,335.67)	-	(38,335.67)
1st half fiscal 2014	-	-	-	-	-	-	(40,635.81)	-	(40,635.81)
Legal	-	-	-	-	-	-	-	-	-
OMA/APRA support	-	-	-	-	-	-	-	(6,000.00)	(6,000.00)
Accounting/professional	-	-	-	-	-	-	-	-	-
Total disbursements	(10,000.00)	(4,500.00)	-	(2,000.00)	-	(14,000.00)	(78,971.48)	(6,000.00)	(115,471.48)
Transfer in (out)	-	10,000.00	-	-	-	(10,000.00)	-	-	-
Fund balance at 12/31/2014 (proj)	10,000.00	9,773.85	27,300.00	19,994.86	3,290.00	68,845.81	11,842.60	8,000.00	159,047.12
Proposed Adjustment to 12/31/14 Balance	\$ (8,000.00)	\$ (3,000.00)	\$(13,000.00)	\$(12,994.86)	\$ (363.85)	\$ (68,845.81)	\$ (11,842.60)	\$(2,000.00)	(120,047.12)
Fund Balance at 12/31/14 (adjusted)	2,000.00	6,773.85	14,300.00	7,000.00	2,926.15	-	-	6,000.00	39,000.00
Funding	10,000.00	9,500.00	-	-	-	9,500.00	-	9,750.00	38,750.00
Disbursements	-	-	-	-	-	-	-	-	-
Well repair/rehab	-	(1,000.00)	-	-	-	-	-	-	(1,000.00)
Water line analysis/improvs	-	(8,500.00)	-	-	-	-	-	-	(8,500.00)
Pump house equip	-	-	-	-	-	-	-	-	-
Pond restoration	-	-	-	-	-	(6,500.00)	-	-	(6,500.00)
Nitrate Issue	(8,000.00)	-	-	-	-	-	-	-	(8,000.00)
Dune improvement	-	-	-	-	-	(3,000.00)	-	-	(3,000.00)
Boat Launch/Kayak Racks	-	-	-	(2,000.00)	-	-	-	-	(2,000.00)
2nd half fiscal 2013	-	-	-	-	-	-	-	-	-
1st half fiscal 2014	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	(5,000.00)	(5,000.00)
OMA/APRA support	-	-	-	-	-	-	-	(4,750.00)	(4,750.00)
Total disbursements	(8,000.00)	(9,500.00)	-	(2,000.00)	-	(9,500.00)	-	(9,750.00)	(38,750.00)
Transfer in (out)	-	-	-	-	-	-	-	-	-
Fund balance at 12/31/2015 (budget)	4,000.00	6,773.85	14,300.00	5,000.00	2,926.15	-	-	6,000.00	39,000.00

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Exhibit B, continued.

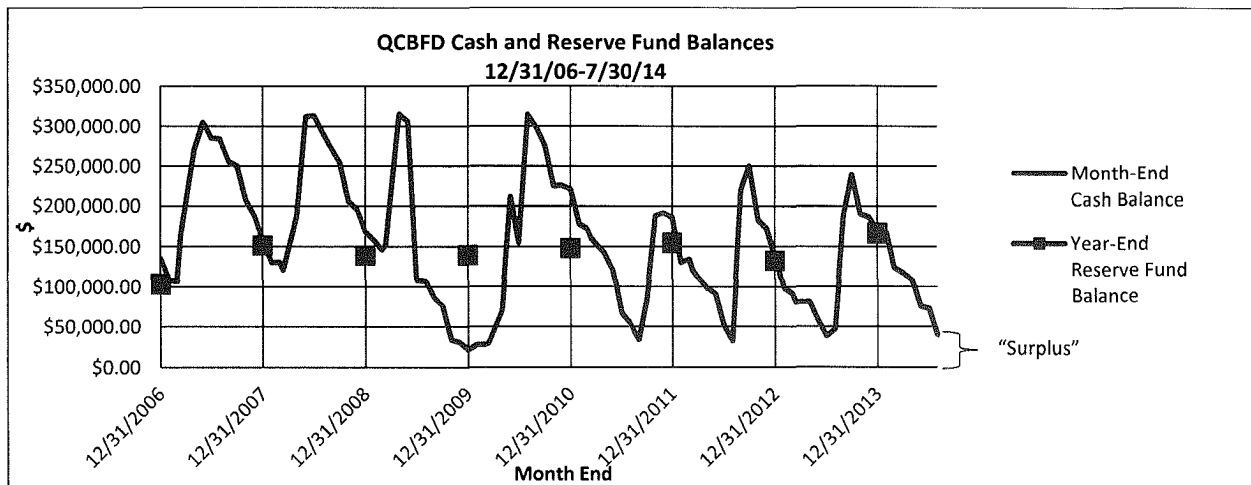
Reserve Balance Adjustment

Exhibit B DRAFT
August 8, 2014
8/9/14

The State of Rhode Island has recently instituted new legislation which mandates for all fire districts various annual and quarterly financial, budgetary and tax reporting requirements. Among others things, these requirements include the certification and filing of standardized forms which are modeled after generally accepted accounting principles for governmental entities.

One of the key reporting disclosures includes a fire district's "surplus", loosely defined as the cash reserves in excess of annual budget requirements. In short, that amount of cash available to fund unbudgeted shortfalls or other significant capital outlays. QCBFD has accounted for this concept in the Reserve Fund accounts established for a variety of purposes—Asset Replacement, Water Conservation, Boat Launch, Contingency, etc. However, for certain reasons described below, the accrued balances in these accounts no longer directly correspond to the annual cash balances of the District, and as such, a one-time, non-cash accounting adjustment will be necessary to re-establish this relationship and allow for appropriate State of RI reporting.

Cash Cycle: As can be seen from the graph below, cash balances follow an annual cycle which peaks in connection with the collection of taxes and declines over the balance of the year as District expenditures are made.



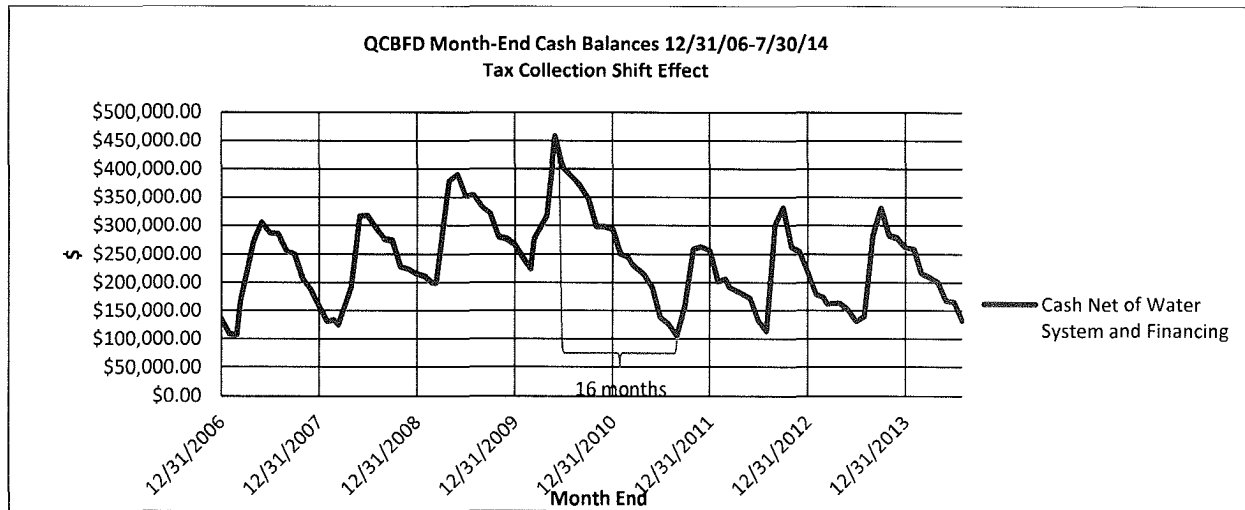
Tax Invoice Change: Two significant events influenced the cash cycle in 2009, 2010 and 2011, namely 1) the development and installation of the water system and its related financing and 2) a one-time change in the timing of invoicing for District taxes. With respect to the latter, in 2011 the Town of Charlestown, which controls the grand list against which District tax assessments are calculated, only released this information after its June 30 fiscal year-end. As a result, District tax invoicing occurred on September 1, 2011 with payment due November 15, as compared to invoicing on April 15 in 2010, with a due date of May 15. The 5 ½ month delay in the due date in 2011, though a boon to residents, was a drain on cash balances. In order to finance normal expenditures over this period, District cash balances declined by nearly \$110,000. **No supplemental tax was collected to finance the additional period and instead the**

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Exhibit B, DRAFT
8/9/14, continued.

funds were borrowed from the accrued reserve accounts. In each subsequent year, the collection of taxes replenished reserves, to be again borrowed over the course of the cycle.

In order to isolate the effects of the tax collection shift, water system and related third-party financing activity were added back to actual cash balances in order to eliminate these influences. The results are shown below. As can be seen, cash balances decline steadily over the period from May 2010 through August 2011.



Reserve Adjustment: It will be necessary to adjust the reserve account treatment in order to conform with, and certify, the reports required by the new RI State law. Effective as of 12/31/2014, the District will initially recognize as “surplus” only that amount of cash which exceeds the 2015 annual budget requirement, which will be set at the minimum cash balance immediately prior to the 2014 tax collections, or approximately \$39,000 (as of July 30, 2014). This amount will become the total reserve account balance. This is a non-cash adjustment. The allocation of sub accounts will be determined by a majority of the Board of Governors in consultation with the Budget & Finance Committee.

Respectfully submitted,

Charles O. Freedgood
Commissioner of Finance on behalf of
Qunonchontaug Central Beach Fire District
Budget & Finance Committee

Exhibit C
August 9, 2014
Exhibit C

SLATE OF QUONOCHONTAUG CENTRAL BEACH FIRE DISTRICT
GOVERNORS, OFFICERS AND COMMISSIONERS 2014-2015

ADMINISTRATIVE OFFICERS OF BOARD OF GOVERNORS:

NANCY MATTHEWS.....MODERATOR (2013)
THOMAS WILDMAN.....CLERK (2014)
JULIA MATHEWS.....TREASURER (2013)

BOARD OF GOVERNORS AND RECOMMENDED COMMISSIONER APPOINTMENTS:

CHARLES FREEDGOOD.....FINANCE & BUDGET (2013)
WALLACE KELLY.....PUBLIC WORKS (2014)
TOM FROST.....REAL ESTATE & PROPERTY (2014)
BREWSTER BLACKALL.....BOATING (2011)
BILL HEEP.....CIVIC IMPROVEMENT/FIRE PROTECTION (2011)
JOE DEMAIO.....LONG-RANGE PLANNING (2014)
MICHELE PALLAI REPPUCCI.....POLICE PROTECTION (2011)

The Nominating Committee recommends to the Board of Governors the following appointments:

COMMISSIONERS NOT MEMBERS OF BOARD OF GOVERNORS:

SHARON FROST.....BEACH & DUNES (2010)
MICHAEL FLYNN.....BALLFIELD & PLAYGROUND (2011)
SUSAN WALES.....TENNIS (2014)
MARIANNE MCNEE.....COMMUNITY SALES (2013)
KATHERINE HUNTINGTON.....SPECIAL EVENTS (2014)

TAX ASSESSORS:

KEVIN YOUNG
TOM FARRELL, JR.

The year following the individual's name is the Annual Meeting year the individual was elected. Commissioners and Administrative Officers, other than the Moderator, serve one-year terms, not to exceed five consecutive terms. Most serve for five years.

Exhibit C,
continued →

Exhibit C, continued August 9, 2014

NOTE: Article 4, Section 1, of our By-Laws, requires certain Committees be chaired by a Governor, one of which is the Real Estate Committee. Article 4, Section 2, mandates no two members of the same household serve as governors at the same time. Therefore, as Tom Frost takes Real Estate, Shari Frost has agreed to step down as governor while remaining Beach & Dunes Commissioner (non-mandated to be chaired by a governor). To maintain the required number of governors at seven, Brewster Blackall has agreed to step up and fill this role for his remaining tenures as Commissioner of Boating.